

CONFIDENTIAL

SECRET

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Chief, Procurement Division, OL

1411110

Chief, Engineering Staff, OC

Please Return To
Engineering Staff

Special Tooling under Contract PSC-148
and 184, RS-6 and RS-6A Equipment

1. Under the terms of the subject contract, [redacted] Chicago, Illinois, built a large quantity of RS-6 and RS-6A equipment. Special tooling for this equipment has been stored by [redacted] for the past six years on a no cost basis. Recently the contracting officer has received a request from the contractor wherein [redacted] has asked to purchase the tooling for a fixed sum of \$7,500. The contractor's offer is based on the fact that [redacted] plant is being moved to a new location within Chicago and only a limited amount of storage space will be available for material of this type.

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2. Listed below are several reasons why it would be inadvisable for the Government to reject [redacted] offer. These are:

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- a) A large stock balance of RS-6 and RS-6A equipment is still on hand.
- b) Tooling made by one contractor cannot, in many instances, be used by a second contractor without additional cost for modification of the second contractor's production facilities.
- c) In all probability, should any emergency situation arise, equipment of newer design would be used.

In consideration of these reasons, it is requested that the contracting officer take the necessary steps to sell the RS-6 and RS-6A tooling for the price designated by the contractor. Should any problems arise in connection with this tooling disposal [redacted], Extension [redacted], will be available for liaison purposes.

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